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**Fostering Quality in Canada's
Post-secondary Institutions**

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Executive Summary

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Providing Canadians with wide access to a high quality post-secondary education is critical to our prosperity. Universities and colleges play a central role in providing Canadians with the skills and knowledge that underpin personal development, success in the labour market, an innovative and productive economy, and a citizenry engaged in their communities.

Canada has among the highest participation rates in post-secondary education (PSE) of any country in the world. But have we been able to maintain quality as enrolments have grown?

The funding of PSE in Canada since 1990 has been marked by two distinct phases. The first was one of cutbacks, as the federal government reduced transfers to the provinces as part of its effort to bring fiscal deficits under control, and the provinces, in turn, reduced transfers to the broader public sector, including universities and colleges. The second phase, beginning in the late 1990s, has been one of reinvestment, including new federal initiatives to support research and enhance student aid.

Total funding per student was still lower in 2004-05 than in 1992-93 in six provinces, even with rising tuition (Snowdon, 2005). Has this hampered the quality of PSE? Are Canada's universities and colleges able to provide a learning environment that matches the best schools in other countries? What policy changes might be needed to allow our post-secondary institutions to realize their potential for excellence without compromising access? In the fall of 2004, CPRN launched a four-part series on *Achieving Access and Excellence in Canada's Post-secondary Institutions* to shed light on these questions.

Finnie and Usher (2005), in the first paper in this series, propose a framework for thinking about what we mean by quality in PSE, and how we might go about measuring it. They start from the recognition that different choices can be made (by "society", by an individual student) about what are the ultimate goals of a post-secondary education. These might include high levels of earnings, good health, life satisfaction, active participation in the community, or other goals.

Finnie and Usher emphasize that we should think about quality in terms of the "value-added" that PSE institutions bring towards realizing these goals. This means that we should not judge the quality of a post-secondary institution by the size of its library or the grades of its incoming students – measures that play a prominent role in the annual *Maclean's* rankings of universities. Rather, we should measure how institutional resources and pedagogies improve learning outcomes, taking into account the knowledge and abilities of the incoming students. One could then measure the relationship between learning outcomes and the goals (or, in the language of Finnie and Usher, desired "final outcomes") described in the previous paragraph.

Different individuals, organizations, and governments may have different views about which final outcomes matter, and therefore different concepts of “quality” in PSE. A flexible set of quality measures, from which different parties can select different variables, is needed. But in every case, it is important to consider the value added by PSE.

Most existing measures focus on inputs or outputs, not value-added. However, there are some promising approaches, such as the National Survey of Student Engagement (an indirect measure of learning), the Collegiate Learning Assessment (a direct measure of learning outcomes), and the flexible approach to rankings adopted by Germany’s Centre for Higher Education Development.

Having explored what we mean by quality in PSE, how could we improve it? Some people recommend a more market-oriented approach to the financing and regulation of PSE: give the money to the students, let the institutions set tuition rates, and let student choice determine the allocation of funds across institutions and programs. However, we need to keep in mind that the specific program/discipline expertise that will be in demand in the labour market four years into the future is highly uncertain. Students’ sense of their own interests and aptitudes may also be in flux at the time they apply to PSE. And while we can and should improve the accessibility of information on program offerings and costs, it is questionable that we could rely on students to make informed choices about the allocation of PSE teaching resources, and there seems little reason to expect that student choices would be a good guide to the allocation of research resources. Moreover, our current aid systems are not up to the task of ensuring that students from low-income families could deal with the costs of a system that relied primarily on tuition revenues.

A more student-centered approach to funding could also undermine the ability of smaller institutions to offer quality programs to students in their communities. Geographic distance is a barrier to access, so there is a case for ensuring that resources per undergraduate student for those programs that are most commonly in demand are provided to a similar extent across institutions. Differentiation among institutions in the degree of emphasis on research and graduate teaching can continue to be fostered through the merit-based approach to funding used by the major research granting councils and other federal programs. Differentiation can also be fostered through an approach to accountability and transparency that recognizes the diversity of mission and program emphasis among our universities and colleges, and the diverse objectives of governments, parents, and students.

The concern about relying too heavily on market forces does not necessarily mean that tuition should play a smaller role than at present, or that governments should completely regulate the level and structure of tuition rates. There are sizeable private gains to the individual from participating in PSE, which justifies a significant role for tuition as a source of funding. And some flexibility in tuition setting is needed to recognize and facilitate diversity across institutions.

One factor affecting quality in PSE is the stability/predictability of government policies towards the sector. The greater emphasis since the late 1990s by federal and provincial governments on funding targeted to particular initiatives made resources less predictable and less stable. Governments also made numerous changes in reporting requirements. This made it difficult to plan, and the fact the federal and provincial policies sometimes worked at cross-purposes exacerbated this difficulty.

Some universities and colleges have been remarkably innovative in promoting a quality learning environment, despite the turbulent funding and regulatory environment. Case studies of major innovations at PSE institutions (such as the “Acadia advantage,” “portfolio” development at the Nova Scotia Community College, problem-based learning at the McMaster Medical School, co-op programs at the University of Waterloo, and distance education at Athabasca University) suggest that innovation arises principally from visionary leadership, but that external pressures also play a role. However, there has been little effort to systematically evaluate innovations in the approach to teaching in PSE.

With these considerations in mind, how can we best foster quality in PSE? First, we need increased government investment. The PSE sector’s health is clearly important to our prosperity, in the broadest sense, whether we focus on the individual, the community, the province, or the nation. Recent announcements in some provinces and the federal government’s plan to contribute to the cost of infrastructure renewal will help, but there is scope to go further.

To ensure that monies are well-spent, to allow diversity among institutions to flourish, and to provide students and parents with greater ability to make informed choices, we propose a transparent quality improvement process as follows:

- Provincial governments would state publicly their broad goals for the post-secondary system. Governments would develop indicators that reflect the system goals.
- Institutions would publicly define and articulate their missions and objectives, taking into account the parameters set out by government. They would also report, in a transparent fashion, their plans to achieve their objectives and progress made against them. Institutions would also be required to make public such data (by program) as tuition rates, class sizes, faculty-student ratios, retention rates, and graduation rates.
- Provincial governments would monitor the process to ensure that universities and colleges take quality improvement seriously and adhere to the expectations for transparency.
- There would be some institutional flexibility in setting tuition, to allow for differences in approaches to (and the costs of) program delivery. But there would not be a complete de-regulation of tuition – certainly not before we have a more coherent and effective aid system, one that demonstrably ensures that

affordability and risk are not barriers to participation by students from low- and middle-income families.

Our other key proposals are as follows.

- Adopt a value-added orientation to quality measurement.
- Develop linked provincial portals for information on PSE programs and labour markets.
- Facilitate students' ability to transfer between programs.
- Promote international exchange.
- Develop funding and tuition policies that balance the need for stability/predictability with the need for flexibility and institutional diversity.
- Rebuild trust between the sector and governments and between levels of government through policies processes that regularly involve consultation and collaboration.

In conclusion, while we need more research on the factors associated with a quality learning environment in PSE, and while the optimal response to some of the key policy issues is uncertain, there are a number of directions for reform that would help foster quality in Canada's post-secondary institutions.